

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:980
ANSWERED ON:27.07.2001
LOANS FOR HIGHER STUDIES ABROAD
JASKAUR MEENA

Will the Minister of FINANCE be pleased to state:

- (a) whether loan facility is made available to students by the nationalized banks in the country for pursuing higher education abroad;
- (b) if so, the details of amounts given as loan to students during the last three years; and
- (c) the details alongwith the terms and conditions of the loan ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): Yes, Sir.

(b): As per the information furnished by Reserve Bank of India (RBI), the educational loans outstanding in the books of scheduled commercial banks during the last three years are as under:

(Rs. In Crore)	
Year	Amount
(March ended)	(Out standing)
1998	339.99
1999	474.79
2000	542.01 (Provisional)

(c): Government has now framed a Comprehensive Educational Loan Scheme which will cover all types of courses in India and abroad. The scheme envisages loans up to Rs. 7.5 lakh for studies in India and upto Rs.15 lakh for studies abroad. For loans up to Rs 4 lakh no collateral or margin is required and the interest rate is not to exceed the Prime Lending Rate (PLR). For loans above Rs. 4 lakh, the interest will not exceed PLR plus 1 percent. The loans are to be repaid over a period of 5 to 7 years with provision of grace period of one year. The scheme has been circulated by RBI to all Scheduled Commercial Banks vide circular dated 28.04.2001.